The democratic peace and territorial conflict in the twentieth century

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1 Another study of democracy and international conflict?

Introduction

Over the past decade numerous books and countless articles have been published on the theoretical and empirical relationship between democracy and international conflict.[1] The central theoretical claim advanced by scholars is that decisions by state leaders to rely upon either peaceful diplomacy or military force as the means to resolve international disputes are influenced by the political institutions and norms of political competition and conflict resolution within states. As a result, analysts have argued that patterns of international conflict behavior should vary between democratic and non-democratic countries because of differences in the degree of state leaders' political accountability, or the strength of non-violent norms of resolving political conflict among political elites (e.g. Bueno de Mesquita and Lalman 1992; Bueno de Mesquita, Morrow, Siverson, and Smith 1999; Dixon 1993, 1994, 1998; Doyle 1986; Kahl 1998/99; Maoz and Russett 1992, 1993; Owen 1994, 1997; Raymond 1994; Rummel 1983, 1985; Russett 1993; Schweller 1992; Weart 1998).

In empirical research scholars have examined patterns of military conflict between democracies and non-democracies, as well as among the two types of states. Two different conclusions have emerged from empirical findings. The first, more widely accepted, claim is that while democratic states rarely if ever go to war against each other, they do adopt more confrontational diplomatic and military policies towards non-democratic states. Thus, patterns of military conflict between democracies and non-democracies are not very different from patterns of military conflict among non-democracies. Both are characterized by much higher rates of militarized disputes and war than are found between pairs of democratic states (e.g. Chan 1984; Dixon 1993, 1994; Owen 1994, 1997; Maoz 1997; Maoz and Abdolali 1989; Maoz and Russett 1992, 1993; Oneal and Ray 1997; Small and Singer 1976; Weart 1998; Weede 1984,

[1] Reviews of much of the literature can be found in Ray 1995: ch. 1, 1998; Maoz 1997, 1998; Chan 1997; and Rousseau, Gelpi, Reiter, and Huth 1996.

1992). The second claim, which is more controversial, is that democracies are less likely to resort to the aggressive threat or use of military force against all other states (e.g. Benoit 1996; Bremer 1992; Hart and Reed 1999; Hermann and Kegley 1995; Hewitt and Wilkenfeld 1996; Huth 1996; Leeds and Davis 1999; Morgan and Schwebach 1992; Oneal and Russett 1997a, 1997b, 1999a, 1999b; Rousseau 1996; Rummel 1995a, 1997; Russett and Oneal 2001; Schultz 2001b). As a result, not only are two democratic states very unlikely to become engulfed in military conflicts with each other, but democratic states are also less likely to initiate crises and wars against non-democratic states. Thus, while it may be true that mixed dyads of democratic and non-democratic states have relatively high rates of military conflict, the reason is because the non-democratic states in the dyads are generally escalating disputes to the point of military confrontations, compelling democratic states to resist and defend themselves with counter-threats and the use of force.

We refer to the body of theoretical and empirical work on domestic political institutions and international conflict as the democratic peace literature. The democratic peace literature, broadly understood, advances claims about the international conflict behavior of *both democratic and non-democratic states*, and seeks to test such claims against the historical record of military conflict in the international system involving either type of state. We want to emphasize that when we refer to the democratic peace literature we are not restricting our attention to the specific question of whether democratic states have engaged in military conflict with other democratic states. Instead, we view the debate about the absence of war among democratic states as one piece of a larger research program on the relationship between domestic political systems and international conflict behavior.

We have already alluded to the two main schools of thought within the democratic peace literature. We refer to the first school as the dyadic version of the democratic peace, since some scholars argue that the incidence of militarized disputes and war is greatly reduced only in relations among democratic states. On the other hand, these same scholars maintain that disputes between pairs of non-democratic states or mixed dyads are much more conflictual and include a pattern of aggressive behavior by democratic states towards non-democratic states. Meanwhile, the second school is termed the monadic version of the democratic peace, since other scholars argue that democratic states are less aggressive than non-democratic countries regardless of whether an international opponent is democratic or not. In this book we critically evaluate the theoretical and empirical foundations of both the dyadic and monadic versions of the democratic peace.

Debates over the democratic peace have been extensive. One area of contention lies with empirical research and findings. Scholars raise questions about the empirical strength and robustness of the finding that democratic states are less likely to rely on military force as an instrument of foreign policy. In particular, analysts frequently debate the strengths and weaknesses of various research designs, the methods used to test hypotheses, the measurement of variables, and whether alternative explanations can account for the democratic peace (e.g. Benoit 1996; Bremer 1992, 1993; Cohen 1995; Crescenzi and Enterline 1999; Dixon 1993, 1994; Elman 1997; Enterline 1996; Farber and Gowa 1995, 1997a, 1997b; Gates, Knutsen, and Moses 1996; Gartzke 1998, 2000; Gleditsch and Hegre 1997; Gowa 1999; Henderson 1998, 1999, 2002; Kegley and Hermann 1995, 1997; Layne 1994, 1995; Mansfield and Snyder 1995; Maoz and Russett 1992, 1993; Mitchell, Gates, and Hegre 1999; Mintz and Geva 1993; Mousseau 2000; Mousseau and Shi 1999; Oneal, Oneal, Maoz, and Russett 1996; Oneal and Ray 1997; Oneal and Russett 1997a, 1997b, 1999a, 1999b, 1999c; Rousseau, Gelpi, Reiter, and Huth 1996; Russett 1993, 1995; Senese 1997b, 1999; Snyder 2000; Spiro 1994, 1995; Thompson and Tucker 1997; Turns 2001; Van Belle 1997; Weede 1992). A second source of controversy focuses more directly on theory, as critics question whether a compelling theoretical argument has been developed to explain how domestic political institutions and norms of political competition influence the foreign policy choices of political leaders. This debate is also often linked to a broader discussion about the relative theoretical power of domestic and international conditions in accounting for international conflict behavior (Bueno de Mesquita and Lalman 1992; Bueno de Mesquita, Morrow, Siverson, and Smith 1999; Cederman 2001; Cohen 1994; Doyle 1986; Farber and Gowa 1995, 1997a, 1997b; Forsythe 1992; Gowa 1999; Henderson 1999; Hermann and Kegley 1995; James and Mitchell 1995; Lemke and Reed 1996; Kacowicz 1995; Kahl 1998/99; Mearsheimer 1990; Morgan and Campbell 1991; Morgan and Schwebach 1992; Oren 1995; Owen 1994, 1997; Rousseau 1996; Rummel 1983, 1985; Russett and Ray 1995; Schultz 2001b; Schweller 1992; Thompson 1996; Weart 1998).

Given that both critics and supporters of the democratic peace have had considerable opportunity to make their case, it is reasonable to ask: Do we really need another study on the relationship between domestic political systems and international military conflict? A skeptic might protest that both sides in the debate have posed the fundamental theoretical questions and presented their best counter-arguments in response to the strongest critiques put forth by the scholarly opposition (e.g. Cohen 1994 vs. Russett and Ray 1995; Farber and Gowa 1997b, Gowa 1999 vs.

Russett and Oneal 2001, Thompson and Tucker 1997; Mansfield and Snyder 1995 vs. Enterline 1996, 1998, Thompson and Tucker 1997, Maoz 1997, 1998, and Oneal and Russett 1999c; Oneal and Russett 1999a, Russett and Oneal 2001 vs. Gartzke 1998, 2000; Spiro 1995, Layne 1994, 1995, Oren 1995 vs. Russett 1995 and Maoz 1997, 1998; Turns 2001 vs. Hermann and Kegley 2001; Weede 1984, 1992 vs. Benoit 1996). Furthermore, this skeptic might insist that by now enough different empirical studies and findings have been produced, dissected, and re-analyzed such that another empirical study is not going to break much new ground. The exasperated skeptic might also say that the debate over the past decade has produced an extensive body of scholarship from which critical observers can draw well-founded conclusions as to the theoretical and empirical veracity of claims about the relationship between regime type and international conflict. As a result, the impact of new work on the subject of the democratic peace may have reached the point of a rather sharply declining marginal rate of return. In short, the skeptic cries out: Please no more!

Alas, while we sympathize with such skeptics, we would in fact argue that there is much more important work to be done on the subject of domestic political institutions and international conflict. Although it is true that a rich literature has developed, several basic questions and puzzles remain to be answered about the existence of and explanation for a democratic peace. Put differently, both the critics (e.g. Cohen 1994; Farber and Gowa 1995, 1997a; Forsythe 1992; Gartzke 1998, 2000; Gates, Knutsen, and Moses 1996; Gowa 1999; Henderson 2002; James and Mitchell 1995; Layne 1994; Mearsheimer 1990; Spiro 1994, 1995; Thompson 1996) and the supporters (Dixon 1993, 1994, 1998; Doyle 1986; Maoz 1997, 1998; Maoz and Russett 1992, 1993; Oneal and Ray 1997; Oneal and Russett 1997a, 1997b, 1999a, 1999b, 1999c; Owen 1994, 1997; Ray 1995, 1998; Raymond 1994; Rummel 1983, 1985; Russett 1993; Russett and Oneal 2001; Russett and Ray 1995; Schweller 1992) of the democratic peace claim that theory and evidence strongly support their position, but neither side's claim is fully persuasive. Nevertheless, while we are not convinced by either side in the democratic peace debate, scholarship over the past decade has clearly advanced our knowledge on the subject and raised new questions. As a result, in this book we address a number of important puzzles and debates and in so doing we draw upon the contributions of both critics and supporters of the democratic peace. In our judgement, more persuasive claims about the democratic peace require both a critical re-examination and development of basic theory as well as the development of new types of statistical tests whose research design and data differ from those commonly employed.

Let's consider a few examples of the general types of arguments advanced by critics and supporters of the democratic peace. Supporters have argued that extensive quantitative tests have confirmed the robustness of the democratic peace finding and that the causal logic which explains dyadic or monadic patterns of behavior has been clearly presented. Thus, while further refinement is possible and even desirable, the basic thrust of the theoretical and empirical analysis has been well established. As a result, useful but marginal returns can be expected from further empirical and theoretical work. Critics, however, have challenged these claims. Case study researchers object that quantitative studies have been long on testing the robustness of statistical results by including various control variables in equations, but short on directly testing the causal process that might link domestic institutions and norms to actual foreign policy choices by state leaders. These scholars argue that empirical research requires more process-tracing of state behavior in specific international disputes in order to assess causal claims about the democratic peace.

A different critique has been offered by scholars who are not empirically oriented, but are more concerned with the logical rigor supporting hypotheses about the democratic peace. Such theorists claim that theory-building efforts have been too inductive and driven by attempts to develop explanations for already-known empirical findings. Instead, they propose a more deductive approach in which analysts try to develop basic theory about the domestic politics of foreign policy choices and then determine if democratic institutions and norms logically result in particular types of dyadic or monadic hypotheses about the democratic peace.

We share the concern of critics that theory-building efforts may have been overly shaped by known empirical results. We also agree that more attention to deductive logic would be desirable and that we should try to ground democratic peace hypotheses in general models that link domestic politics to foreign policy choices. Nevertheless, we think supporters are right that hypotheses about norms of political bargaining or the accountability of leaders to political opposition represent plausible and fruitful theoretical approaches to explaining how domestic political institutions influence the foreign policy choices of state leaders. However, we believe that for both the norms-based and accountability-based approaches, the logical hypotheses to be tested are not adequately established in the existing literature. Through critical re-examination of the theoretical foundations of each approach, we can develop new hypotheses that refine and extend existing arguments.

On the empirical side, we find value in the work of both critics and supporters. For example, case study critics are right in several respects, but

we still believe a great deal can be gained from further quantitative tests. We agree that empirical tests should attempt to examine more directly the causal pathways linking domestic institutions to decisions regarding military threats and the use of force. We would also disagree with supporters who might claim that the consistency of results in quantitative tests suggests that only marginal gains in knowledge can be achieved through further statistical tests. We would argue that the research design of many quantitative tests significantly limits the range and type of hypotheses that can be tested. As a result, while useful findings have been and will continue to come from such studies, we believe that alternative statistical tests based on different research designs and new data sets are essential. Thus, while we share the desire of case study researchers for more direct empirical tests, we prefer to rely on statistical tests. Our solution is to create a large data set, which is in some ways composed of many case studies. With such a data set we can test for more specific patterns of diplomatic and military behavior, and at the same time have greater confidence that the findings are generalizable and systematic.

In sum, if we re-examine and extend the basic theory of the democratic peace and then couple it with new data sets and alternative research designs for statistical tests, our results can make important and lasting contributions to an already extensive democratic peace literature. Our objective in this book, then, is to identify central puzzles and questions which persist in the democratic peace literature and to answer them with new theoretical and empirical analyses.

Theoretical debates and empirical puzzles

What are the central theoretical questions and empirical puzzles that need to be addressed by scholars studying the democratic peace? We find five areas in which further work is essential.

The debate over norms vs. institutional accountability

One theoretical debate among scholars seeking to explain the democratic peace has focused on the relative explanatory power of domestic norms of political conflict resolution and the political accountability of democratic institutions. Some scholars hold that democratic norms and institutions produce similar causal effects in international disputes. For example, in the dyadic version of the democratic peace, both democratic norms and democratic institutions encourage negotiated settlements and the avoidance of military conflict between democratic states, and both promote more confrontational policies towards non-democratic states. From this point of view, norms and institutions are complementary causes of the

democratic peace and it is very difficult to disentangle their individual causal effects in empirical tests (e.g. Maoz and Russett 1993; Owen 1994, 1997; Ray 1995; Russett 1993). Other scholars, however, insist that while democratic norms and institutions may have similar causal effects, one explanation is in fact more compelling than the other. (Bueno de Mesquita and Lalman 1992; Bueno de Mesquita, Morrow, Siverson, and Smith 1999, and Reiter and Stam 1999a, 2002 favor institutionalist arguments while Dixon 1993, 1994 and Doyle 1986 give greater emphasis to democratic and liberal norms.)

We argue in this book that addressing two broad theoretical problems can advance the debate over the causal effects of norms and institutions. First, we need to develop the basic logic of the norms-based arguments more fully. Norms-based approaches need to ground theoretical arguments more directly in intra-elite patterns of political competition. Then they should develop more carefully the logic of how elite norms of resolving domestic political conflict might influence conflict resolution behavior in international disputes. There is a tendency among scholars, whether critics or supporters of norms-based theories, to argue that democratic norms imply a fairly "dovish" or accommodative approach to conflict resolution in international disputes. This leads both sides in the debate to overstate the strategic weaknesses of democratic states in situations of crisis bargaining with non-democratic adversaries. Our argument, as advanced in Chapter 5, is that a norms-based approach should predict a consistent pattern of "firm-but-flexible" or "tit-for-tat" diplomatic and military policies (Huth 1988) for democratic states in international disputes. Nonviolent norms should socialize leaders to adopt policies of reciprocity in diplomacy and military actions and to reject more extreme policies of unilateral concessions or military aggressiveness.

Second, we re-examine the general consensus in the literature that norms and institutions produce convergent effects. There has not been an adequate dialogue between supporters of the norms-based approach and those scholars who focus on the political accountability created by institutions. As a result, supporters of the norms-based approach have not addressed some recent arguments, which suggest that norms and institutions may in fact exert divergent influences on leaders' actions in international disputes. For example, the norms literature argues that democratic leaders should be more likely to seek negotiated settlements in disputes (e.g. Dixon 1993, 1994; Maoz and Russett 1993; Raymond 1994; Russett 1993).[2] Empirically, however, Huth's (1996) previous research on the settlement of territorial disputes suggests more complex patterns of

[2] In the dyadic version of the democratic peace this applies to disputes between democratic states, while in the monadic version it applies more generally to all target states in disputes.

behavior. One of his central findings is that state leaders rarely make territorial concessions for fear of the domestic political consequences of such a policy. Thus, while Huth finds that democratic states are more likely to seek peaceful settlements by offering concessions, it is nevertheless true that in a majority of dispute observations democratic leaders, too, failed to pursue diplomatic initiatives designed to break a stalemate in negotiations (Huth 1996: ch. 6). This suggests powerful domestic political constraints on democratic leaders, which may compete with norms of negotiated conflict resolution. A case in point would be the unwillingness of Indian Prime Minister Nehru either to propose or respond positively to Chinese offers of partial territorial concessions in several rounds of talks from the late 1950s to early 1960s for fear that supporters within his own Congress Party, as well as the leadership of opposition parties, would oppose such policies (Huth 1996: 176). Another example would be the unwillingness of Prime Minister Bhutto in 1972 to sign a treaty in which Pakistan would formally recognize the line of control in disputed Kashmir as the *de jure* international border. Bhutto feared that such a territorial concession would provoke strong domestic opposition from elites in political parties, the military leadership, and the public at large, with the result that the new democratic regime would be toppled (Ganguly 1997: 62–3).

Recent institutionalist arguments may help to explain these empirical puzzles. In models of costly signaling and domestic audience costs, for example, analysts argue that during crises democratic leaders might be particularly worried about compromise for fear of being charged with a diplomatic retreat by political opponents (e.g. Fearon 1994b, 1997; also see Schultz 1998, 1999, 2001a, 2001b). Furthermore, elite and public opinion may strongly support the use of force and oppose compromise as a general policy, in which case democratic leaders would have further reasons to pull back from compromise. Prime Minister Nehru, in fact, was concerned about the domestic political fallout of a territorial exchange with China, while confident that opposition parties would support a firm "forward policy" of military probes in disputed territories (Huth 1996: 176). The broader point derived from these institutionalist models is that democratic accountability may limit the diplomatic flexibility required of state leaders to pursue the peaceful settlement of international disputes. In this book we argue that democratic norms and institutions do not consistently predict the same type of conflict escalation or conflict resolution behavior and that differences in expected behavior should be subjected to empirical tests. In the theory-development chapters later in the book we argue that while democratic norms are expected to produce a consistently moderating effect on diplomatic and military policies, political

accountability can push a decision-maker towards either conflictual or cooperative foreign policy behavior. This is because under different conditions of institutional accountability, democratic leaders will weigh the relative advantages of negotiated compromise, military conflict, and continuing diplomatic stalemate quite differently.

Since norms-based and political accountability-based models do not necessarily produce similar hypotheses, one important avenue for theory development is to identify when norms and institutions generate similar incentives for leaders and, conversely, to explain what behavior is to be expected when they collide. The logic of accountability-based arguments suggests that when norms-based incentives to pursue more cooperative policies conflict with institutional incentives to act more aggressively, the latter would have a stronger impact, since they are more directly linked to the political costs and risks of foreign policy decisions. For example, violations of normative principles of nonviolence and compromise in foreign policy may not be so politically costly for leaders when more hostile and conflictual policies either prove successful, or are directed at long-standing international adversaries. In short, democratic norms of conflict resolution may suffer when weighed against the powerful forces of nationalism and expected military success. In such situations, democratic leaders can expect political support for tougher diplomatic and military policies.

On the whole, the debate over democratic norms and institutions as causes of the democratic peace should focus more on the conditions under which differences in foreign policy behavior are predicted by each approach. New empirical tests can then be devised to assess the explanatory power of each theoretical model more directly. The results of empirical tests in Chapters 8 and 9 provide clear evidence that when these two models predict divergent behavior, the hypotheses of the Political Accountability Model are generally supported by the empirical evidence.

The puzzle of intra-regime variation in conflict behavior

One of the central theoretical puzzles of the democratic peace stems from recent empirical findings, which highlight substantial variation in the conflict behavior of both democratic and non-democratic states. That is, some studies provide evidence that military conflict can be quite rare among both democratic and non-democratic states, while other studies report that at other times both democratic and non-democratic states will pursue aggressive policies of military threats and the use of force (e.g. Benoit 1996; Gowa 1999: ch. 6; Hurrell 1998; Huth 1996: ch. 5; Holsti 1996: ch. 8; Kocowicz 1998, 1999; Leeds 1999; Maoz and

Abdolali 1989; Mousseau 1998; Oneal and Russett 1997a, 1997b; Rousseau 1996; Weart 1998). The theoretical challenge is to explain this variation within both types of regimes using a common theoretical framework.

Neither the dyadic nor the monadic version of the democratic peace adequately addresses variation in conflict behavior among non-democratic states. Instead, both approaches focus on explaining patterns of conflict behavior for democratic states, while arguing that non-democratic states should follow a pattern of fewer peaceful settlements of international disputes and more frequent military conflict due to the absence of democratic institutions and norms of conflict resolution (e.g. Dixon 1993, 1994; Doyle 1986; Maoz and Russett 1993; Morgan and Schwebach 1992; Raymond 1994; Russett 1993). The variation in conflict behavior within the category of non-democratic states is a particularly interesting theoretical issue, however. While some studies present empirical findings that suggest both peaceful and conflictual relations among non-democratic states (e.g. Peceny, Beer, and Sanchez-Terry 2002), scholars have not directed sustained theoretical attention to explaining this pattern of behavior and its implications for theories of the democratic peace.

Once again, some empirical findings from the study of territorial disputes are illustrative. In an earlier analysis of military escalation and the peaceful resolution of territorial disputes, Huth found that although democratic states were generally less likely to initiate military threats or use force, some non-democratic states were unlikely to engage in military escalation (Huth 1996: ch. 5). Similarly, while we have already noted that some democratic leaders, such as India's Nehru or Pakistan's Bhutto, may feel constrained by domestic opposition to avoid concessions, the same is often true for many non-democratic leaders, who believe that concessions are a risky policy domestically.

The challenge, then, is to develop theoretical models that can explain how domestic conditions in both democratic and non-democratic regimes affect foreign policy choices. In the theoretical section of this book we develop three different domestic-based models, each of which provides an explanation for differences in conflict behavior among both democratic and non-democratic states. For example, in the Political Affinity Model presented in Chapter 6, cross-national differences or similarities in political institutions and ideologies provide a general theoretical framework for explaining various patterns of foreign policy behavior. The hypotheses derived from this model potentially can help to explain a number of patterns: conflict and cooperation among non-democratic states, generally high levels of military conflict between democratic and non-democratic states, and low levels of military conflict between democratic states. The

logical foundations of this model, however, are quite different to those of the more common norms-based or accountability-based models.

The empirical findings from Huth's previous research (1996) suggest that our existing theoretical analysis of political constraints in non-democratic states is underdeveloped in the political accountability literature. When are non-democratic leaders constrained by domestic opposition? How can we develop a theory about variation among non-democratic leaders in terms of the political constraints they face? The same types of questions can also be asked about democratic leaders (see Auerswald 1999, 2000; Elman 2000). How typical is the situation in which Prime Ministers Nehru and Bhutto found themselves – constrained, as democratic leaders, from making concessions while enjoying support for more confrontational foreign policies? More broadly, how can we account for opposing patterns of democratic peace and aggression? If we do account for them, what are the implications for prevailing dyadic and monadic versions of the democratic peace?

In this book we will argue that a worthwhile subject of theoretical work, neglected in the democratic peace literature, is the extent to which political constraints and accountability vary in important ways for the leaders of both democratic and non-democratic governments. The existing democratic peace literature on institutional constraints has focused on broad comparisons between regime types. Another avenue for theoretical elaboration, as we argue in this book, is to focus on the contrasts within each broad category of regime type. While we do not fundamentally disagree with the generalization that political constraints on average are higher in democratic regimes, we do believe that existing arguments about institutional constraints can and should be extended to include a more systematic analysis of differences within a regime type. Thus, just as the basic logic of the norms-based approach can be fruitfully extended, we argue that institutional approaches can be extended by sharpening the focus on the manner in which different domestic conditions produce variation in the degree of political accountability facing democratic and non-democratic leaders. Current scholarship does not exclude the possibility of important differences within each regime type, but has not pursued that path of analysis.[3] Such a path provides an opportunity to

[3] Morgan and Campbell (1992) suggest that decisional constraints should be considered carefully in all types of political systems. Rousseau (1996) also pays close attention to variation in constraints among both democratic and non-democratic regimes, as do researchers studying the democratic peace in the context of specific case studies (Elman 1997, 2000 and Auerswald 1999, 2000). In general, however, the tendency has been for scholars working in the democratic peace literature to focus on broad comparisons across regime types.

extend the basic logic of institutional approaches to the democratic peace and to conduct new empirical tests.

Chapter 4 explains variation in political constraints within regime types by focusing on those factors that might be expected to affect a leader's beliefs about the effective threat and power of domestic political opposition. Our comparative analysis of democratic systems centers on the timing of elections and the strength of opposition parties in legislatures and cabinets. Meanwhile, the comparative analysis of non-democratic regimes focuses on variation in the threat of coups during periods of political instability and violent political conflict, or during periods of political change and liberalization. The implication is that the political vulnerability of non-democratic leaders is potentially quite varied despite the prevailing absence of competitive elections, well-organized opposition parties, and politically independent legislatures. In fact, the results of empirical tests in the final section of this book provide considerable support for many of these hypotheses derived from the Accountability Model, as well as several hypotheses from the Norms Model. For example, we find that differences in the diplomatic and military behavior of democratic and non-democratic states are due to variables such as the timing of elections, the strength of opposition parties in legislatures, recent coups, or how recently democratic institutions had been established in a country.

The debate over audience costs and democratic institutions

Two opposing lines of argument have emerged from the theoretical literature which focuses on the impact of democratic institutions. The first and original line of analysis posits that the greater political accountability of democratic systems, stemming from such institutional features as regular competitive elections and independent legislatures, makes political leaders more cautious about the use of military force in international disputes (e.g. Bueno de Mesquita and Lalman 1992: ch. 5; Maoz and Russett 1993; Morgan and Campbell 1992; Russett 1993; Russett and Oneal 2001). The political risk for democratic leaders is that political opposition will arise and challenge incumbent leaders whenever force is used, particularly if the use of force results in high casualties and/or a military defeat. The theoretical analysis here centers on the potential political costs of *using* force. Scholars argue that democratic leaders should be more sensitive to those costs because democratic systems offer greater opportunity for political opposition to contest government policies and, through elections, to remove leaders for pursuing failed policies (see Bueno de Mesquita and Siverson 1995; Bueno de Mesquita,

Siverson, and Woller 1992). Thus, the higher expected domestic audience costs associated with conflictual policies should induce democratic leaders to be more risk-averse to the use of military force and more receptive to negotiated settlements of international disputes.

A more recent literature, however, has shifted the focus of analysis on democratic institutions by considering the political costs democratic leaders incur by *retreating* in a crisis or international dispute (Eyerman and Hart 1996; Fearon 1994b, 1997; Gelpi and Griesdorf 2001; Partell 1997; Partell and Palmer 1999; Schultz 1998, 1999, 2001a, 2001b). The general argument advanced is that threats of military force by democratic leaders are actually more credible because such leaders know that a failure to follow through on such threats will be used by political opponents to charge the political leadership with irresolution and a diplomatic defeat. In contrast, non-democratic leaders can issue strong threats and then decide to back down. For them, the political risks of retreating or bluffing are less threatening because domestic political opposition is in a much weaker position. High domestic audience costs for accommodative policies, then, can provide incentives for democratic leaders to prefer conflictual policies over more accommodating ones.

These two literatures highlight rather different constraints under which democratic leaders operate in international disputes. While scholars on both sides of the debate have developed formal arguments (e.g. Fearon 1994b; Schultz 1998; Smith 1998), there have been few empirical tests of these arguments (see Eyerman and Hart 1996; Gelpi and Griesdorf 2001; Partell 1997; Partell and Palmer 1999; Schultz 1999), and the interpretation of existing results is difficult due to potential problems of selection bias (Schultz 2001a). In Chapter 4 we develop the logic behind both types of audience costs and derive a number of hypotheses. With the new research design we employ for empirical testing, we better address problems of selection bias and find support for the influence of both types of audience costs. These supportive findings are expected, since we develop arguments about audience costs and political institutions in which leaders pay attention to both the expected political costs of using military force and the costs of making concessions. We maintain that it makes logical sense for leaders to attend to both types of costs when choosing among diplomatic and military options.

The debate over the strategic behavior of democratic states in disputes with non-democratic states

Dyadic and monadic versions of the democratic peace are typically based on quite different arguments about how democratic states perceive their

bargaining position in disputes with non-democratic opponents (see Rousseau, Gelpi, Reiter, and Huth 1996). The theoretical debate between advocates of the dyadic vs. monadic democratic peace centers on the question of whether democratic leaders should be expected logically to adopt more intransigent and aggressive policies towards non-democracies. As noted, proponents of the dyadic approach argue that democratic leaders will consistently prefer negotiations to the use of force only in disputes with other democracies, whereas they may be intransigent and aggressive in their policies towards non-democracies. The reason, as argued by some scholars, is that institutional constraints and/or norms of nonviolent conflict resolution place democratic states in a relatively weak position to protect their security interests. For example, high audience costs of using force restrain democratic leaders from adopting timely and credible deterrent policies, while their democratic norms favoring compromise encourage military threats and intransigent negotiating tactics by non-democratic opponents. Recognizing their disadvantaged bargaining position, democratic leaders will reciprocate the more aggressive policies of their opponents, resulting in preemptive military attacks or the breakdown of negotiations as a result of mutual intransigence (e.g. Bueno de Mesquita and Lalman 1992: ch. 5; Maoz and Russett 1993; Morgan and Schwebach 1992; Russett 1993).

The available empirical evidence, however, does not provide strong support for these predictions. For example, in the last two centuries, wars have very rarely been started by preemptive attacks (Reiter 1995; also see Schweller 1992), and decisions by democratic leaders to escalate crises have not been driven by such incentives very often (Rousseau 1996; Rousseau, Gelpi, Reiter, and Huth 1996). Furthermore, we know of no systematic body of evidence indicating that democratic states consistently adopt inflexible bargaining positions in negotiations with non-democratic states. Several studies of US–Soviet arms control negotiations, in fact, suggest a general pattern of reciprocity in concession-making (Druckman and Harris 1990; Jensen 1988a, 1988b; Stoll and McAndrew 1986). Another study of crisis bargaining strategies suggests that democratic states often adopt mixed strategies, combining threats with offers of negotiation as part of carrot-and-stick policies (Leng 1993). At the same time, empirical studies have established that democracies sometimes do adopt more aggressive policies against non-democratic states (e.g. Rousseau 1996; Rousseau, Gelpi, Reiter, and Huth 1996). There are enough cases of democracies initiating and escalating military threats that even if there does exist a very general pattern consistent with a monadic hypothesis, it is important to explain when democratic states are most likely to shift towards more conflictual policies.

Arguing against certain claims of dyadic democratic peace advocates, we question the logic of expecting democratic leaders to believe that they are at a diplomatic and military disadvantage in disputes with non-democratic states. If, as argued in Chapter 5, democratic norms encourage policies of reciprocity in international bargaining, then democratic leaders are actually in a favorable position to protect their country's security interests, since a number of studies suggest that diplomatic and military policies of reciprocity in crises are effective at deterring opponents (e.g. Huth 1988; Gelpi 1997; Leng 1993; also see Eyerman and Hart 1996; Friedberg 2000; Partell 1997; Partell and Palmer 1999). Furthermore, if the institutional constraints faced by democracies can vary to a substantial degree, then we might expect that under certain conditions democratic leaders would not face high audience costs for initiating or reciprocating the use of force. Indeed, it is possible that in some international disputes, domestic pressures push democratic leaders away from compromise and towards military confrontation (Owen 1994, 1997; Rousseau 1996). Nevertheless, we do not expect democratic leaders to simply suspend democratic norms of conflict resolution or to systematically adopt preemptive policies as a way of dealing with vulnerability, as is suggested by some scholars. Indeed, hypotheses from our Accountability and Norms Model predict that in disputes between democratic and non-democratic states the initiation and escalation of military conflicts is generally driven by the more aggressive policies of non-democratic states. The empirical results presented in Chapter 7 are strongly supportive of this claim regarding the initiation of military conflicts. The findings regarding escalation are not as strong, but there is little evidence that democracies aggressively escalate to high levels against non-democracies.

Our argument has important implications for the monadic democratic peace argument, since we specify more clearly the logical conditions under which it is most likely to hold true. For example, in Chapter 4 we argue that the monadic claim is most persuasive when democratic leaders are involved in territorial disputes with states that are not their long-term adversaries and issues of political self-determination for ethnic co-nationals are not at stake. Conversely, democratic aggressiveness, when it does occur, is likely to reflect one of two situations. The first situation is when the military risks of using force are low to moderate, and therefore the threat of domestic opposition to the use of force is not a strong deterrent for democratic leaders. The other scenario under which democratic leaders might turn to force is when the political costs of accommodative policies are high, in which case leaders are unlikely to offer controversial territorial concessions as part of a diplomatic compromise and are more willing to accept the risks of a military conflict.

The debate over international-level vs. domestic-level explanations of foreign policy behavior

The field of international conflict studies has undergone a major reorientation over the past decade. Scholars have argued forcefully, and with considerable success in our view, that domestic political conditions play a central role in explaining patterns of diplomatic and military conflict among states. Some scholars using a realist theoretical framework have challenged the claim that domestic-level variables provide systematic and powerful findings (e.g. Gowa 1999; Mearsheimer 1990), while other scholars have grappled with the theoretical implications of integrating domestic- and international-level variables in a common theoretical framework (e.g. Bates 1997; Bueno de Mesquita and Lalman 1992; Downs and Rocke 1995; Fearon 1994b, 1998; Gruber 2000; Huth 1996; Kahler 1997; Lamborn 1991, 1997; Martin 2000; Milner 1997; Moravcsik 1997; Morrow 1995; Nincic 1994; Powell 1993; Putnam 1988; Rosenau 1990, 1997; Siverson 1998; Smith 1998; Walt 1996; Wendt 1999). The democratic peace literature has been an integral part of this theoretical debate. Indeed, a persistent line of critique directed at claims of a democratic peace are based on realist-type arguments, which maintain that military power and common national security interests between states can explain the absence of military conflict between states in general, and pairs of democratic states in particular (Elman 1997; Farber and Gowa 1995, 1997a; Gowa 1999; Layne 1994, 1995; Maoz 1998; Mearsheimer 1990). Based on these arguments, then, the absence of war between democracies during the post-World War II period can be explained by the common alliance among most democracies in opposition to the Soviet threat.

The premise of our theoretical analysis in this book is that realist critics have failed to make a compelling logical case that domestic-level variables should not be expected to shape the foreign policy choices of state leaders. Thus, the essential starting point for theory building among advocates of the democratic peace – namely that domestic political institutions and norms of behavior can influence state policy in international disputes – strikes us as logically plausible and worthy of rigorous analysis. At the same time, we think that the diplomatic and military policies of states are quite responsive to the international political and military environment within which states must operate (Huth 1988, 1996, 1998). Therefore, both domestic- and international-level variables logically should be expected to affect state policy in international disputes. Theoretically, the task is to consider foreign policy choices as potentially reflecting the interplay between the two sets of conditions.

Our general theoretical framework might be termed a modified realist approach (Huth 1996, 1998) in which state leaders seek to protect and promote national security interests abroad while also seeking to ensure their tenure and position of political power at home. Theoretical integration is attempted in several ways. For example, success or failure in foreign policy can have important implications for the domestic political tenure of leaders. It is therefore argued that leaders have incentives, even as domestic office holders, to assess the international strategic environment carefully before pursuing diplomatic or military initiatives. Thus, in Chapter 5 our model of domestic political survival requires leaders to think like realists about the prospects for successful foreign policy actions.

We also link the domestic and international levels by arguing that domestic political opponents are likely to condition their challenges of government policy based on an assessment of their government's strategic options and foreign policy outcomes. For example, a military success for an incumbent government will undercut an opposition challenge, while a diplomatic retreat for a militarily powerful government will provoke greater dissent and opposition than a retreat under conditions of military weakness. Furthermore, nationalism can be an important constraint that limits domestic opposition. For example, we argue in Chapter 4 that conflict with an enduring international rival is less likely to provoke dissent from opposition groups, permitting governments greater leeway to threaten force and maintain unyielding diplomatic positions (also see Braumoeller 1997). Finally, we argue that foreign policy choices are most likely to be affected by the domestic political concerns of leaders when they are most insecure about their hold on office and thus have a very short-term time horizon.

Empirically, tests of domestic-level hypotheses still need to account for the potential influence of various international conditions. With such tests, it is possible to assess the joint effects of domestic and international conditions as well as their individual influences on foreign policy behavior. The debate then shifts to questions of: (a) the relative substantive impact of domestic and international variables, (b) the conditions under which domestic political variables matter more or less, and (c) how we can best capture the interactive effects of variables from the two levels of analysis. In sum, while we are not convinced that realist variables are the dominant set of powerful explanatory variables, we certainly do think they are important. Therefore, the focus of our theoretical and empirical research on the democratic peace is to integrate and draw upon both levels of analysis. Empirically, we present very strong and consistent evidence across Chapters 7 to 9 that both international and domestic-level variables are important in explaining state behavior across the different

stages of territorial disputes. More specifically, we find that international political-military conditions are central to understanding the initiation and escalation of military confrontations, but offer few insights regarding the initiation or outcome of negotiations. Conversely, while domestic political variables do provide a number of additional insights into the causes of military conflict, they are essential to understanding when and why state leaders seek negotiations and offer concessions over disputed territory. In sum, the threat of war is linked closely to the strategic context of international political-military conditions, while peace and the settlement of international disputes depends crucially on domestic political conditions.

Policy implications of research on the democratic peace

While our primary objective in this book is to advance basic research and scholarship on the democratic peace, we do believe that our research will have policy implications in a number of areas. At present, we will simply outline some of the potential policy issues raised by our research. In the concluding chapter we will return to these policy questions and consider how the results of our research can be of value to policy-makers and analysts.

What are the challenges for democratic leaders when managing disputes with authoritarian regimes?

The debates among scholars regarding the possible ways in which democratic institutions and norms may constrain or shape the policy choices of democratic leaders can clearly be linked to long-standing questions about whether democracy is an asset or liability in the formation and conduct of foreign policy. We believe that our research can clarify and provide new and more compelling evidence on the question of whether non-democratic states generally believe that democratic leaders are more risk averse to military conflict and more inclined to compromise in protracted disputes and negotiations. If critics of democracy are correct, democratic leaders may find it difficult to credibly signal their resolve in military confrontations, or to induce concessions from authoritarian leaders in negotiations. One policy implication that follows from such expectations is that democratic leaders should have limited confidence in their ability to bargain effectively with authoritarian states in crises or during peacetime negotiations. As a result, the escalation of military conflicts should be difficult to avoid, while negotiations will be protracted and rarely produce satisfactory agreements. In our theoretical and empirical analyses in this book we will address important questions about

the behavior of non-democratic states that are of central importance to democratic policy-makers. Are democratic states frequently targeted by non-democracies with military threats and probes? Can democratic leaders credibly send deterrent signals in military crises to authoritarian adversaries? Furthermore, our research will examine whether democratic negotiators can signal their intention to stand firm in negotiations and induce concessions from their adversary, or whether democratic leaders often compromise in the face of stalemated negotiations.

Managing the politics of international dispute settlement

We also believe that our research can offer advice to policy-makers on questions of how to promote the resolution of international disputes. For example, our research on electoral cycles and the role played by opposition parties in democratic legislatures can help to identify those domestic situations that are most promising for democratic leaders to pursue negotiations and to offer concessions. That is, when can leaders expect to secure ratification of border agreements at home and, similarly, when are negotiating adversaries most inclined to offer concessions and when will their leaders be capable of securing ratification? The results of our research should therefore be useful for understanding when initiatives to hold talks and pursue negotiations are likely to be successful and conversely when stalemate can be expected. These questions of timing, then, are potentially useful to state leaders who are trying to identify opportune times to push for talks and pressure their adversary to put concessions on the table.

Another way in which our research is policy-relevant concerns the negotiating strategies that democratic states might adopt. For example, the results of our research will address the interesting question of whether democratic leaders who claim that their "hands are tied" by strong domestic opposition can actually induce their negotiating partner to offer more favorable terms for an agreement. In academic scholarship there is a debate about whether such a policy should be an effective bargaining tactic. In our research we will be able to pinpoint whether democratic leaders who are faced with strong opposition parties in their legislature are more likely to secure territorial concessions from other states at the negotiating table.

The interests of third parties in questions of war and peace over disputed territory

Finally, we believe that the results of our research can be of value to third parties, such as Great Powers or the leaders of regional states, who are

concerned about the outcomes of territorial disputes. For example, allies of states involved in territorial disputes are likely to be concerned about the outbreak of military confrontations and their possible escalation to war. Our empirical findings will help to identify those domestic and international conditions under which challenger states will threaten force and risk war. Based on these types of results, policy analysts in third party states can develop better forecasts of military conflict and assess what policies might act as powerful deterrents to such conflict. Also, as noted above, if our research can identify those domestic conditions under which democratic leaders are inclined to favor talks and to offer concessions, then diplomatic pressure and efforts at mediation are more likely to succeed. Third parties and mediators need to decide when to invest resources, time, and political capital in pursuit of dispute settlement. We believe that our findings should be quite helpful for understanding the key obstacles to successful negotiations, as well as conditions conducive to achieving progress in negotiations. Put differently, we hope to ascertain when disputes are "ripe" for negotiations that will produce concessions from both parties over issues that have been contested for some time.

A framework for theoretical and empirical analysis

The theoretical and empirical analyses presented in this book are premised on the belief that hypotheses about the democratic peace should be related more directly to the unfolding of international disputes into different stages and pathways. The starting point for justifying this approach is a critique of a common research design used for statistical tests of the democratic peace.

Dyadic studies

A number of statistical studies of the democratic peace have analyzed data sets consisting of pairs of states in which the occurrence of a war or militarized dispute short of war is coded on an annual basis over some specified time period. In some tests the population of dyads consists of all possible pairings of states, while other scholars rely on a smaller set of "politically relevant" dyads (e.g. Bremer 1992, 1993; Gowa 1999; Maoz 1997, 1998; Maoz and Russett 1992, 1993; Oneal and Ray 1997; Oneal and Russett 1997a, 1997b, 1999a, 1999b, 1999c; Ray 1995: ch. 1; Russett and Oneal 2001). These "dyad-year" studies have produced many useful and important findings, but such designs for empirical tests of the democratic peace feature three limitations.

First, these studies simply code whether conflict did or did not occur between two pairs of states in a given year. However, even though two states might be embroiled in a bilateral dispute, each state makes its own decision regarding how to behave in the dispute, even if the states' decisions are interdependent. In most of these dyadic studies the dependent variable is conflict involvement for the countries in the dyad, but patterns of military initiation and response or conflict resolution are not identified. In other words, there is no way to tell which of the two states actually initiated the use of force, or which state raised the ante by escalating its level of force first. This is an important drawback, since hypotheses about democratic institutions and norms of conflict resolution logically predict which state in a dyad should be most likely to initiate militarized disputes, escalate disputes to the brink of war, or seek diplomatic settlements of disputes.

Data on initiation and escalation are particularly important for testing the monadic version of the democratic peace because the occurrence of war, crises, or militarized disputes in a mixed dyad of democratic and non-democratic states does not distinguish between two quite different situations. In the first case, the non-democratic state initiates the large-scale use of force after rejecting compromise proposals, and the democratic state responds by defending itself against the attack. In the second case, the democratic state initiates the large-scale use of force after rejecting compromise proposals and the non-democratic state defends itself. These two cases represent very different pathways to war and therefore suggest different conclusions about the monadic approach to the democratic peace. The second pathway is at variance with a monadic hypothesis, whereas the first pathway is not. Yet statistical tests that use dyads as the unit of analysis cannot distinguish between these two pathways.

The same general point is applicable regarding different pathways to conflict resolution. In one case the dispute is settled by a non-democratic state initiating concessions or withdrawing claims, while in a second case a democratic state takes the initiative to propose concessions that are then accepted by a non-democratic adversary. The first case runs counter to prevailing monadic arguments about democratic norms while the second seems consistent with them. The findings of existing quantitative studies that use dyads, however, do not provide a solid foundation upon which to build conclusions about the monadic version of the democratic peace (Rousseau, Gelpi, Reiter, and Huth 1996). It seems very desirable to disaggregate conflict behavior within a dyad into a more sequential analysis of the decisions made by each state over the course of a dispute.

Furthermore, the use of dyads leads to additional problems when attempting to test hypotheses about the impact of domestic political factors

on patterns of conflict initiation, escalation, and resolution. Using dyads, variables that are particular to each state, such as the level of democracy, the timing of elections, or the relative strength of the leader's position, must be combined somewhat unnaturally into some type of joint or composite measure.[4] For instance, the dyadic indicators for such variables generally measure the lowest of the two states' democracy scores, or indicate that a coup has recently taken place in at least one of the two states. As a result, it is often difficult to ascertain causal inference using dyads; there is no clear sense of the "direction" of any estimated relationship. For example, assume one wants to know whether minority governments behave differently than majority governments during negotiations over territory. Using dyads, the researcher would assign a value of "1" to dyads in which one state has a minority government. Perhaps the parameter estimates indicate that minority government is associated with situations of deadlock in talks. One still does not know if minority governments are less likely to make concessions due to their position of domestic weakness, or whether majority governments are the ones who resist making concessions to minority governments, who they perceive as unwilling or unable to offer reciprocal concessions.

In sum, the prevailing focus on dyads makes it difficult to test directly how domestic norms and institutions shape the military and diplomatic behavior of states. Scholars code for the presence or absence of some level of military conflict, but the diplomatic and military interactions and processes that produced the presence or absence of conflict are not analyzed, even though these intermediate causal pathways are very useful for testing and evaluating hypotheses about the democratic peace. The dyad-based data set of conflict outcomes, as commonly used, requires the researcher to make inferences about the causal processes that might have produced patterns of observed dyadic conflict outcomes (also see Bennett and Stam 2000; Dixon 1998).

A second, related limitation of these dyadic studies is that they fail to account for the various stages in an international dispute, most notably the emergence of a dispute between two states. In other words, these studies test hypotheses about international conflict without grounding the empirical analysis in the development and progression of international disputes between states and without carefully considering issues of case selection. In principle one might identify several stages or phases in an international dispute:

[4] As Bennett and Stam point out, in dyadic analyses the researcher "must then transform these individual variables to eliminate identity and directionality to create a variable that is usable in nondirected analysis" (Bennett and Stam, 2000: 656).

1. The transition from the status quo to a dispute over some issue.
2. Attempts at negotiation and talks to settle the dispute.
3. The escalation of diplomatic conflict to the point where military force is threatened.
4. The further escalation of these militarized conflicts or crises to war.

Our contention is that any research design devised to test hypotheses about international conflict and cooperation should consider each of these possible stages.

One concern we have about the use of dyads is that when states become involved in a militarized dispute or war, the causal pathway necessarily includes a first stage of a dispute emerging, but we do not think that democratic peace arguments explain why disputes arise – only how they will be managed.[5] As a result, dyads that do not get into disputes for reasons unrelated to democratic institutions or norms may appear as cases in support of the democratic peace. The problem with the typical dyad-year-based data set is that the observed behavior of no militarized dispute or war for certain dyad years could be explained by either of two general processes, one of which is distinct from arguments in the democratic peace literature. Military conflict may be absent because states were able to prevent a dispute from escalating, a situation the democratic peace literature addresses. On the other hand, military conflict may be absent because states were not involved in a dispute in the first place and thus there was no reason for leaders to consider using force (also see Gartzke 1998, 2000). In this second pathway democratic peace explanations are not relevant.

The use of politically relevant dyads helps to reduce this problem of irrelevant no-conflict observations on the dependent variable, but many relevant dyads are not parties to an international dispute that has the potential to escalate to military conflict. In the typical data set that contains both types of zero observations on the dependent variable, estimates for the democratic peace variables are biased unless the statistical test very effectively controls for the conditions that produce disputes in the first place. For example, the negative coefficient on a democratic dyad variable could reflect not only the fact that some democratic leaders managed disputes in a nonviolent way, but also the fact that some democratic dyads were not involved in any disputes for many of the dyad-year observations in the data set. Without question, several of the common control variables included in these tests do help to explain the absence of disputes

[5] One study does argue that democratic states are less likely to initiate certain types of disputes, but not that democratic states are less likely to initiate disputes in general (see Siverson and Bueno de Mesquita 1996).

between states, but we are not confident that the selection process for disputes emerging has been specified so well that the remaining bias is negligible.

In Huth's research on the origins of territorial disputes (1996: ch. 4) he found that common control variables in democratic peace tests, such as alliance ties, did reduce the chances of disputes emerging. But their substantive effect was not that strong, and the measure of the military balance actually had no systematic impact upon the emergence of a dispute. The typical model specification for democratic peace tests does capture to some degree the selection process of moving from the status quo to a dispute, yet there is certainly some slippage at this stage. The inability to fully account for selection processes weakens the conclusions we can draw about what we really want to know, namely how domestic institutions and norms influence the resolution and escalation of international disputes.

The third and final limitation of dyad-year studies is that the use of annual observations not only obscures the fact that there are several stages to an international dispute, but also presents a number of operational problems. For one, there is little reason to think most substantive decisions in international politics are taken on a consistent, annual, or twelve-month basis. While some real-world processes might be regularized, perhaps even on an annual basis, the interactions of governments over disputed issues are not one of these processes. Military interventions, diplomatic initiatives, threats of retaliation, and cease-fires can happen frequently, so it is problematic to measure them only once a year.[6]

In operational terms, the dyad-year framework forces a single observation to summarize the behavior of a pair of states over an entire year, even if patterns of activity do not correspond to that annual framework. In fact, in our territorial dispute data set there are 211 instances in which multiple, unique foreign policy initiatives are taken by a single state in the same year. For example, two states might hold talks twice in one year, perhaps with very different results each time. Or a pair of states might engage in negotiations in March, only to see one state attack the other in October. Furthermore, a strict annual coding scheme also has a

[6] Since researchers always aggregate foreign policy activity over some unit of time, they will always be dealing with grouped data. This is a fact of life for empirical researchers (Freeman 1989). When analyzing international interactions, it is very difficult to measure the behavior of a number of cross-sections (whether states or dyads) for short intervals of time, such as minutes, hours, days, or even weeks. Thus our parameter estimates will always entail some degree of inefficiency. Yet higher levels of aggregation eliminate much of the interesting variation in the data compared to lower levels of aggregation. Our contention is that annual observations eliminate too much variation in both the independent and dependent variables.

difficult time accommodating events that linger for a long period of time. Many important events in international relations, such as lengthy rounds of negotiations or protracted military conflicts, span the course of two or more calendar years.[7] The resulting question, then, is how to code the subsequent years in which talks or military conflict is ongoing?[8] One of the goals of our research design is to capture, and measure more accurately, all instances in which negotiations are held or a military encounter takes place.

It may also be problematic to measure many independent variables of interest solely on an annual basis. Many interesting domestic political phenomena entail significant shifts at precise points in time or take the form of discrete events. For example, an annual measure of the degree to which a country is democratic would contain considerable measurement error if there is a significant regime change during the middle of a year. We often dismiss or ignore such concerns, and wonder if any observations in the data really suffer from this feature. We are able to shed light on this question, however, because in compiling our data on territorial disputes we identified the months in which important domestic political events or changes occurred.[9] In fact, more than 10 percent of the countries in our data set experience a change in their *POLITY* net-democracy score during a given year.[10] In a more substantive sense, further examination of our data shows that nearly 6 percent of these same countries experience a full-scale regime change at some point during a given year.[11] The dyad-year framework, then, struggles to capture any middle-of-the-year domestic political changes, such as when a coalition partner drops out of a governing coalition in May, or an opposition party wins an election and assumes power in July.

In addition, many of the variables we think have an important impact on international politics, such an elections or internal coups, are discrete

[7] Once again, in the territorial dispute data set there are more than 300 instances in which either a round of negotiations or a military conflict spreads across multiple years.

[8] See Bennett and Stam (2000) for a lengthy discussion of this particular issue.

[9] We first identify the situations in which a country's net-democracy score changes from one year to the next, and then pinpoint the exact month in which the change took place. This allows us to identify the years in which a net-democracy score changes during the course of a calendar year.

[10] For our purposes, the *POLITY* net-democracy score is equal to the democracy score (scaled from −0 to 10) minus the autocracy score (scaled from 0 to −10). In terms of raw numbers, 497 out of 4,792 country-years experience an intra-year change in their net-democracy score.

[11] By "regime change" we mean that a country shifts from one of the following systems of government to another: liberal democracy, hereditary non-democratic monarchy, single-party-dominant communist, single-party-dominant fascist, collective military junta, or a miscellaneous non-democratic regime. See the coding rules employed in Chapter 6 for more details.

events. These events happen at identifiable moments in time, but an annual measure can only indicate that such an event did or did not occur at some point during the course of a year. From a measurement standpoint, however, the timing of these events is of considerable importance. To be able to think in terms of causality, we need to be certain that hypothesized independent variables occur or exist prior to the outcome we measure. For example, we might collect information on the existence of military coups and the initiation of violence abroad if we want to understand whether domestic violence leads to militaristic foreign policy behavior. However, an annual observation would simply indicate that a coup and a military skirmish with a neighboring country both occurred in the same calendar year. In order to draw any type of causal inference we would want to ensure that the domestic coup took place *before* the militarized dispute. But consider the case in which a country launches an unsuccessful series of border attacks in February, and then experiences a successful coup in September. The results based on annual data might indicate that coups do indeed lead to aggressive foreign policy behavior. However, in this case the unsuccessful military action might have contributed to the military coup against the incumbent leadership. The supposed causal relationship would actually be reversed!

In sum, the dyad-year as the unit of analysis aggregates the behavior of both states in multiple stages of an international dispute into a single observation, which makes it difficult for empirical tests to assess the causal processes operating at different stages in the escalation or resolution of disputes. These limitations of previous data sets and statistical tests lead us to believe that new directions for quantitative empirical testing could make very useful contributions to the democratic peace literature.

An alternative research design

Our alternative approach for theoretical and empirical analysis of the democratic peace includes the following:

1. A focus on the behavior of individual states involved in international disputes.
2. An attempt to explain how disputes evolve over time through different stages of diplomatic and military conflict.
3. An analysis of the diplomatic and military actions of challenger and target states at each stage of a dispute, including patterns of initiation and response that takes into account the strategic nature of policy choices adopted by state leaders.

Our theoretical and empirical analyses of the democratic peace are built around the behavior of states involved in specific international disputes. In

Table 1.1 *Territorial disputes between states, 1919–1995*

Region	Number of disputes	Pre-1945	Post-1945	Across both periods
Europe	95	60	27	8
Middle & Near East	89	36	32	21
Africa	48	17	26	5
Asia	65	14	42	9
Americas	51	30	6	15
Total	348	157	133	58

particular, we focus on disputes over opposing claims to national territory, and we examine the diplomatic and military behavior of states seeking to change the status quo and those preferring to preserve it (see Table 1.1 and Figure 1.1).[12] We have assembled a data set of 348 territorial disputes from 1919–95 that includes disputes from all regions of the globe. We have attempted to identify the population of such disputes, along with information about the diplomatic and military history of the dispute throughout its duration. Given our interest in testing arguments about the democratic peace, the existence of a territorial disagreement is a logical place to begin the analysis, since arguments about democratic norms and institutions focus on how state leaders can manage conflicts of interest and not why conflicts of interest emerge to begin with.

Our data set provides a useful way to directly test hypotheses about the relationship between domestic political factors and conflict behavior. First of all, by examining cases of territorial disagreement we control for much of the unexplained and unimportant variance across cases and ensure that the states in our data set have at least the possibility for interaction. As we discuss in Chapter 2, states with territorial claims consistently possess three options: accept the status quo and do nothing, call for negotiations over the disputed territory, or threaten force in an attempt to acquire territory. Since all states with territorial claims in principle face these same options at all times, we can isolate hypothesized factors of interest and see how variation in these factors affects patterns of territorial challenges. A time-series cross-sectional design also works nicely in this situation. We can focus on both cross-sectional variation in state behavior under similar strategic scenarios, as well as temporal variation in state behavior to see how changes in international and domestic factors affect a state's pursuit of a territorial claim over time.

[12] See Appendix A for a discussion of the coding rules for identifying cases of territorial disputes and Appendices B–F for a more detailed listing and summary description of the individual disputes by region.

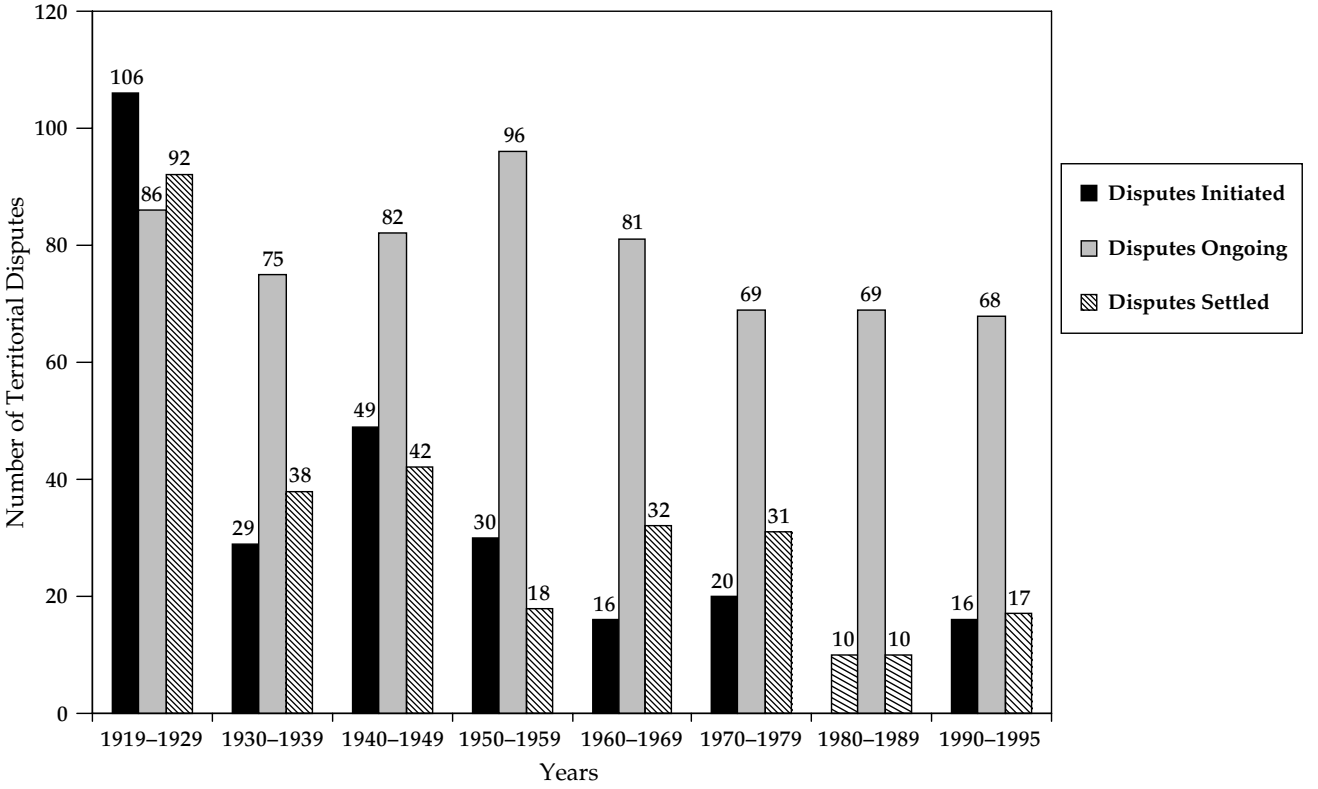

Figure 1.1 Territorial dispute initiation and settlement in the international system, 1919–1995

Table 1.2 *Negotiations over disputed territory, 1919–1995*

Region	Territorial disputes	Number of rounds of talks	Number of rounds with concessions by challenger states
Europe	95	268	113
Middle & Near East	89	423	162
Africa	48	172	60
Asia	65	362	114
Americas	51	303	119
Total	348	1528	568

Note: The totals listed for concessions include cases in which the challenger made either limited or major concessions over disputed territory.

Our research design also addresses many of the concerns with measurement and the selection of units of observation discussed in the previous section. For one, independent variables that change during the course of a year are measured monthly instead of yearly. Similarly, the dates of any actions are recorded in a month-specific manner in order to more accurately capture the timing of foreign policy decisions. Instead of coding one outcome per year and fitting the timing of talks and militarized disputes into an annual period, the actual rounds of talks and militarized disputes themselves serve as the units of observation.[13] In other words, each "episode" of interaction during a stage of a territorial dispute (see Chapter 2) constitutes a unit of observation. Not only are variables measured more precisely, the sequencing of events is also captured properly since events are attributed to the actual month in which they occurred.

The precise nature of our data on negotiations and military conflicts over disputed territory gives us the leverage to test for patterns of dispute settlement and deadlock in talks as well as patterns of initiation, escalation, and response in militarized disputes (see Tables 1.2 and 1.3). Thus, while we retain a statistical approach to testing a large data set, this particular data set, with its greater attention to micro-level information on diplomatic and military behavior, enables more direct tests of the controversial theoretical issues of the democratic peace in Chapters 7 through 9.

The final advantage of this alternative research design is that we can capture more directly the strategic behavior of foreign policy leaders and thus assess more carefully the substantive effects of variables at different stages in the evolution of disputes. For example, recent studies

[13] The idea of a "decision to do nothing" is a bit more complicated. One must conceptualize the idea that a state has decided to do nothing and must consider how to determine and code the times at which it decided to do.

Table 1.3 *Military confrontations over disputed territory, 1919–1995*

Region	Territorial disputes	Number of Militarized disputes	Number of wars
Europe	95	56	9
Middle & Near East	89	130	15
Africa	48	27	3
Asia	65	109	12
Americas	51	52	1
Total	348	374	40

Note: The totals listed for militarized disputes include only those initiated by challenger states while the totals for wars include all military confrontations in which both challenger and target states resorted to the large-scale use of force.

(e.g. Achen 1986; Bueno de Mesquita, Morrow, and Zorick 1997; Downs, Rocke, and Barsoom 1996; Fearon 1994a; Hart and Reed 1999; Reed 2000; Reed and Clark 2000; Rousseau, Gelpi, Reiter, and Huth 1996; Schultz 2001; Signorino 1999; Smith 1995, 1999) suggest that strategic behavior can produce selection effects which threaten the accuracy of our conclusions from empirical tests. These studies caution us to be more careful and precise about theoretical generalization. If the general logic of strategic behavior is applied to the democratic peace, it raises the possibility that the results of statistical tests may be inaccurate and that the causal effects of democratic institutions and norms may vary across different stages of a dispute. For example, some empirical studies suggest that democratic institutions and norms are much stronger in explaining whether democratic leaders initiate crises as opposed to whether they escalate these crises (Reed 2000; Rousseau 1996; Rousseau, Gelpi, Reiter, and Huth 1996). Thus, the effects of democracy may be relatively strong in channeling disputes down a path of negotiations and away from crises, yet once in crises, democratic leaders may find it more difficult to make concessions and may become more willing to use force. The general finding of few if any wars between democracies may be due primarily to the ability of democratic states to defuse and settle disputes before they escalate to the point of crisis, not because of their ability to manage crises more peacefully.

Territorial disputes and testing the democratic peace

We will test hypotheses about the democratic peace on our data set of 348 territorial disputes between states from 1919 through 1995 (see Table 1.1

and Appendices A–F). The diplomatic and military behavior of states in territorial disputes provides a particularly demanding and critical test of the democratic peace. This is because territorial disputes are a central issue over which militarized disputes, crises, and wars have erupted. For example, scholars using a variety of different types of data sets have produced consistent and convergent findings that the presence of a territorial dispute is correlated with the initiation and escalation of militarized disputes and international crises, as well as the emergence of enduring interstate rivalries and their repeated escalation to military conflicts and war (Brecher 1993: 72; Brecher and Wilkenfeld 1997: 821; Hensel 1996a, 1996b; Holsti 1991; Kocs 1995; Leng 1993; Luard 1986; Rousseau, Gelpi, Reiter, and Huth 1996; Senese 1996, 1997a; Vasquez 1993, 1995, 1996; Vasquez and Henehan 2001).

It seems clear, then, that issues of territorial sovereignty have been and remain a central concern of state leaders. Currently, more than sixty territorial disputes persist, and many regional conflicts remain linked to unresolved territorial claims. Furthermore, more recent trends of increased civil war (Byman and Van Evera 1998; Holsti 1996) threaten the dissolution of states due to ethnic conflicts and struggles for political self-determination. The break-up of states, however, is likely to produce a number of new territorial disputes, as leaders from the new and old states struggle to define where the new international border is to be located (e.g. Estonia and Latvia vs. Russia, Eritrea vs. Ethiopia, Croatia vs. Yugoslavia).

Why is it that territorial disputes significantly increase the risks of armed conflict and war? We argue for three factors that, taken together, help explain this connection:[14]

1. State leaders place a high utility on controlling disputed territory.
2. Foreign policy leaders can mobilize domestic support for territorial claims.
3. Military force is an effective instrument for achieving territorial goals.

The combined effect of these three factors is that generally, for challenger states, expected utilities for disputing territorial claims and escalating territorial disputes are higher than expected utilities for making concessions or accepting the status quo.

If territorial disputes are more likely than others to escalate to the level of military confrontations, then the study of such disputes provides a demanding test for the impact of democratic norms and institutional accountability on the conflict behavior of foreign policy leaders. If democratic political institutions and norms have the capacity to discourage military conflict and promote peaceful resolution of disputes, then territorial

[14] For a more detailed discussion of theoretical explanations for the strong empirical correlation between territorial disputes and international conflict see Huth (2000).

disputes – in which nationalism, high stakes, and the utility of military force all encourage leaders to choose military conflict – will push that capacity to its limits. Analyzing the effects of domestic political factors on democratic leaders involved in territorial disputes is an appropriate, though difficult, test of the democratic peace literature. If the theoretical arguments within the democratic peace literature are insightful and generalizable, then they should help to explain in a systematic way patterns of state behavior with respect to territorial disputes. Stated more generally, much recent scholarship has argued that it is essential to consider domestic factors, broadly conceived, when developing theoretical models of international conflict behavior. The careful empirical analysis of territorial disputes provides a set of potentially critical results for evaluating the utility of models which assign a prominent explanatory role to domestic-level variables.

The application of the democratic peace literature to the study of territorial conflict is an important step, then, in the democratic peace research program. If democratic peace theories cannot explain patterns of conflict over disputed territory, then there are serious reasons to question their logic and power. Conversely, if the empirical findings are clearly supportive, then our confidence in the theoretical arguments about the democratic peace should be greatly enhanced.

Conclusion

The premise of this book is that while scholars have made important contributions to our understanding of international conflict by analyzing how democratic institutions and norms affect foreign policy behavior, three problems nevertheless can be identified:

1. A number of theoretical arguments in the democratic peace literature need to be extended and revised through a re-examination of basic logic and the integration of existing arguments.
2. Quantitative empirical tests of the democratic peace have been somewhat restrictive, focusing on dyad-years as the unit of analysis. As a result, important theoretical questions have been difficult to address. Thus, while the empirical results of many such studies support the democratic peace, they are not as persuasive as they could be.
3. Recent findings on territorial disputes suggest that disputed territorial claims are one of the most contentious issues that state leaders can disagree over. The study of territorial disputes should provide an excellent opportunity to test the theoretical power of democratic peace arguments. Existing studies, however, have not tested democratic peace hypotheses against the historical record of state behavior in territorial disputes.

The research agenda, then, is twofold. First, we hope to develop the deductive logic of different models of the democratic peace more fully, seeking to explain the broad spectrum of diplomatic and military policies that state leaders may adopt in international disputes. Second, we venture to devise new and compelling statistical tests of theoretical models of the democratic peace. The remainder of this book is structured as follows. Chapters 2 through 6 present a series of theoretical models to explain the diplomatic and military decisions of state leaders involved in territorial disputes. The theory-building efforts begin with an analysis of international conditions in Chapter 3, but the key chapters are 4, 5, and 6, which develop three different domestic-based models of the democratic peace. Chapters 7, 8, and 9 present the results of a series of empirical tests of the democratic peace. In Chapter 10, we conclude with a summary analysis of the empirical findings and discuss their implications for democratic peace theories and the study of international conflict.